



**Public Hearing
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 67
AGENDA DATE: Thu 06/24/2004
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SUBJECT: Conduct a public hearing and approve an ordinance nominating a proposed Home Depot Data Center, to be located at 1300 Park Center Drive, Austin, Texas, for designation by the Governor's Office of Economic Development and Tourism as an Enterprise Project in accordance with Texas Government Code Chapter 2303 ("Texas Enterprise Zone Act").

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Economic Growth and **DIRECTOR'S**
DEPARTMENT: Redevelopment Services **AUTHORIZATION:** Sue Edwards

FOR MORE INFORMATION CONTACT: Sue Edwards, Director, 974-7820

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

This hearing is to consider an ordinance nominating a proposed Home Depot Data Center for State designation as an "enterprise project" under the Texas Enterprise Zone Act. If so designated, an enterprise project is eligible for a refund of State sales and use taxes based on employment criteria and the amount invested. It is not necessary for such a project to be located in an "Enterprise Zone" to receive such benefits, and the proposed Home Depot Data Center is not in an Enterprise Zone. Staff and the Greater Austin Chamber of Commerce are coordinating with Home Depot and the Governor's Office of Economic Development and Tourism on this project. A related item on the City Council Agenda would authorize the negotiation and execution of an economic development agreement for the proposed Home Depot Data Center.

Enterprise projects not located in an Enterprise Zone are required to fill at least 35% of new jobs with individuals who are economically disadvantaged, or reside in State identified "Qualifying Census Block Groups". The State also requires that the nominating local government identify economic development incentives that may be offered to the project.

The project specifications indicate that The Home Depot will be investing more than \$200 million over the first five years in the data center, with an additional \$198 million in purchases over the next five years of the project. The investment in the first five years includes \$17 million in building and finish out and \$189 million in personal property (equipment), some of which will be relocated to Austin from its current location and some of which will be purchased after the relocation.

The proposed Home Depot Data Center is projected to create 500 permanent jobs within the City.